

HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

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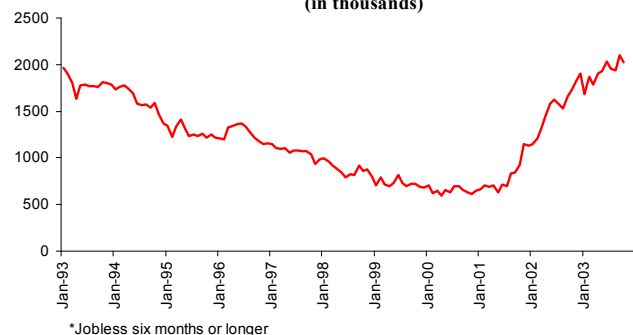
Need for Extended Unemployment Benefits Is Still With Us

Dear Democratic Colleague,

The government announced today that the economy created 126,000 jobs in October. However, the government also announced that the number of long-term unemployed (defined as out of work for six months or more) was 2.0 million, triple the level when President Bush took office. It will take many more months of substantial job growth before the economy returns to full employment. As such, the need for extended unemployment benefits is still very much with us. The loss of nearly three million private-sector jobs since President Bush took office has translated into longer unemployment spells.

As a result of Democratic leadership, Congress created the Temporary Extended Unemployment Compensation in March 2002 to provide extra weeks of benefits to workers who exhaust regular state benefits but remain unemployed. Under current law, the program will close to new entrants after December. Democrats have introduced legislation to extend the program for six months and make improvements to it. A separate Republican bill would simply extend the program. The Republican leadership, however, has been silent on scheduling a vote on either bill before adjourning for the year.

Number of Long-Term Unemployed*
(in thousands)



*Jobless six months or longer

In past downturns, Congress and Democratic and Republican presidents kept extended benefit programs in place until the economy generated millions of new jobs and the number of workers exhausting their regular state unemployment benefits showed significant and steady decline. The economy today has yet to pass that test. We must extend unemployment benefits before we adjourn.

Sincerely,

/s

John M. Spratt, Jr.

Ranking Democratic Member